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FILED

DEC 14 2005

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA1  
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5 UNITED STATES BANKRUPTCY COURT  
6 EASTERN DISTRICT OF CALIFORNIA  
78 In re ) Case No. 05-28383-C-7  
9 MAGNETIC PULSE, INC., ) Dk No. MDM-1  
10 Debtor. )  
1112 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**  
13 **ON MOTION TO ABANDON PERSONAL PROPERTY**14 These findings of fact and conclusions of law are  
15 rendered in this contested matter pursuant to Federal Rule of  
16 Civil Procedure 52 as incorporated by Federal Rules of  
17 Bankruptcy Procedure 7052 and 9014.18  
19 Jurisdiction20 Jurisdiction is founded upon 28 U.S.C. § 1334.  
21 This is a core proceeding. 28 U.S.C. § 157(b)(2)(K).22  
23 Findings of Fact24 On November 15, 2005, the chapter 7 trustee filed  
25 a motion and notice requesting that this court authorize the  
26 abandonment of certain personal property back to the debtor.  
27 The debtor filed a limited opposition objecting only to whom  
28 the property should be delivered. A hearing was scheduled for  
December 13, 2005, to consider the motion.

1                   The trustee's motion requests that the property be  
2 delivered to the individual who signed the bankruptcy petition,  
3 Errol King. There is, however, a dispute regarding corporate  
4 control. It is contended that Mr. King is no longer the  
5 President of debtor and that the property to be delivered to  
6 the current President, Ehab Al-Hindi.

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8                   Conclusions of Law

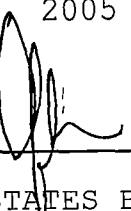
9                   After notice and a hearing, the trustee may  
10 abandon any property of the estate that is burdensome to the  
11 estate or that is of inconsequential value and benefit to the  
12 estate. 11 U.S.C. § 554(a). Both the trustee and debtor agree  
13 that the personal property sought to be abandoned by the  
14 trustee is of inconsequential value and benefit to the estate.  
15 The context of this being a chapter 7 bankruptcy case for a  
16 corporate debtor is material to the analysis. No discharge is  
17 permitted. The trustee, in effect, is a mere collection agent  
18 armed with trustee avoiding powers.

19                   The question of corporate control is a state law  
20 matter that needs to be resolved by courts of competent  
21 jurisdiction. This court is not the proper forum for resolving  
22 that question.

23                   Consequently, the trustee's motion to abandon  
24 personal property is granted effective February 1, 2006.  
25 Further, relief from the automatic stay is sua sponte granted  
26 to allow the parties to go to state court to obtain a  
27 determination as to who controls the corporation. If there is  
28 no such determination, the trustee may place the physical

1 assets at a public place designated by him at 9:00 a.m. on  
2 Wednesday, February 1, 2006.

3 An appropriate order will issue.

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5 Dated: December 14 2005  
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UNITED STATES BANKRUPTCY JUDGE

**CERTIFICATE OF SERVICE**

On the date indicated below, I served a true and correct copy(ies) of the attached document by placing said copy(ies) in a postage paid envelope addressed to the person(s) hereinafter listed and by depositing said envelope in the United States mail or by placing said copy(ies) into an interoffice receptacle located in the Clerk's Office.

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4719 Quail Lakes Drive #227  
Stockton, CA 95207

Michael McGranahan  
P.O. Box 5018  
Modesto, CA 95352-5018

Errol King  
26220 S. Corral Hollow Rd.  
Tracy, CA 95376

Ehab Al-Hindi  
4719 Quail Lakes Drive #227  
Stockton, CA 95207

Office of the United States Trustee  
United States Courthouse  
501 "I" Street, Suite 7-500  
Sacramento, CA 95814

**\*\*And all other interested parties\*\***

Dated: December 14, 2005.

 Deputy Clerk

R. Lopez